

Exh. 6. f "B"

Prepared By & Return To:  
The Lowrance Law Firm  
5100 Poplar, Suite 2200  
Clark Tower  
Memphis, TN 38137  
(901) 761-1212

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**DEED OF TRUST**

(Under Section 202 of the Housing Act of 1959)

**THIS INDENTURE**, Made and entered into this 30th day of July, 2001, by and between Bearman-Golden Gardens, Inc., a non-profit corporation organized and existing under the laws of the State of Tennessee, having its principal office and post-office address at 4590 Goodwill Road, Memphis, TN 38109 hereinafter called the party of the first part, and **Thomas Kelly Derryberry**, Trustee(s), hereinafter called the party of the second part, and the United States of America acting by and through the Secretary of Housing and Urban Development, hereinafter called the party of the third part;

**WITNESSETH**, That the party of the first part, in consideration of the debt and trust hereinafter mentioned and created, and the sum of One Dollar (\$1.00) to it in hand paid, the receipt of which is hereby acknowledged, does by these presents, bargain, sell, transfer, convey and confirm unto the party of the second part, his successors in trust, assigns, forever, the following-described land situated in County of Shelby, State of Tennessee, to wit:

See Exhibit "A" attached hereto and made a part hereof.

Maximum principal indebtedness for Tennessee recording tax purposes is \$0.00 Dollars. **TAX EXEMPT PURSUANT TO TCA 67-4-409**

**TOGETHER** with the privileges and appurtenances to the same belonging, and all of the rents, issues, and profits, including all rights to receive payments and payments made pursuant to a Housing Assistance Payments Contract which may arise or be had therefrom; and

**TOGETHER** with all buildings and improvements of every kind and description now or hereafter erected or placed thereon, and all fixtures, including but not limited to all gas and electric fixtures, engine and machinery, radiators, heaters, furnaces, heating, air-conditioning and laundry equipment, steam and hot water boilers, stoves, ranges, elevators and motors, bathtubs, sink, water closets, basins, pipes, faucets and other plumbing and heating fixtures, mantels, refrigerating plant and refrigerators, whether mechanical or otherwise, cooking apparatus and appurtenances, furniture, shades, awnings, screens, blinds and other furnishings, and;

**TOGETHER** with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein; and all articles of personal property owned by the party of the first part and now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the lands herein described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, including all goods and chattels and personal property as are ever used or furnished in operating a building or the activities



## Capital Advance Program Regulatory Agreement

Housing for the Elderly or Handicapped (Nonprofit)

Section 202 of the Housing Act of 1959 or Section 811  
of the National Affordable Housing Act.

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

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The Lowrance Law Firm  
5100 Poplar, Suite 2200  
Clark Tower  
Memphis, TN 38137  
(901) 751 1212

This agreement entered into 30 day of July, 2001, between Bearman-Golden Gardens, Inc. whose address is 4590 Goodwill Road; Memphis, TN 38109

hereinafter called Mortgagor, and the undersigned Secretary of Housing and Urban development hereinafter called HUD.

In consideration of the making of the capital advance by HUD and the disbursement of any part thereof, and in order to comply with the requirements of the Housing Act of 1959 or National Affordable Housing Act of 1990 and the Regulations adopted by the Secretary pursuant thereto, the Mortgagor agrees for itself, its successors and assigns, and any owner of the mortgaged property, that in connection with the mortgaged property and the project operated thereon and so long as the capital advance is outstanding:

1. The Note and Mortgage bear no interest and repayment is not required so long as the housing remains available for very low-income elderly persons or very low-income persons with disabilities (whichever is applicable).
2. Mortgagor will establish and maintain a special fund to be known as the revenue fund account in a bank which is a member of the Federal Deposit Insurance Corporation, Savings Association Insurance Fund, or the National Credit Union Share Insurance Fund, into which will be deposited all rentals, charges, income and revenue arising from the operation or ownership of the project. The bank in which this account is established shall provide collateral acceptable to HUD to equal the maximum amount in the account at any one time when such amount exceeds \$100,000. If the bank will not provide appropriate collateral in such instances, the Mortgagor will be required to establish accounts in two or more banks so that the total amount on deposit at any time does not exceed \$100,000 in any one bank. Expenditures shall be made from the revenue fund account only in accordance with the operating budget submitted to and approved by HUD.
3. Not later than 30 days prior to the beginning of each fiscal year, the Mortgagor shall submit an operating budget for that fiscal year to HUD. The budget shall include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, taxes and special assessment levies, prorated amounts required for insurance and all other expenses incident to the operation of the project; and shall show the expected revenue to pay such expenses, including reserve fund deposits. The expenses incurred and disbursements shall not exceed the reasonable and necessary amount thereof, and the Mortgagor will not expend any amount or incur any obligations in excess of the amounts approved in the annual operating budget except upon written certification by the Mortgagor to HUD that such expenses were unanticipated and are necessary and provided further, that nothing in this section shall limit the amount which the Mortgagor may expend from funds ob-

tained from some other source than project revenues or other funds required of the Mortgagor pursuant to this Agreement or the Capital Advance Agreement.

4. As security for the Capital Advance for the required payments under this Agreement into the reserve fund for replacements, and for all other obligations of the Mortgagor under this Agreement, the Mortgagor hereby assigns, pledges and mortgages to HUD all its rights to the income and charges of whatever sort which it may receive or be entitled to receive from the operation of the mortgaged property, subject, however, to any assignment of rents or project income in the Mortgage referred to herein. Until a default occurs under this Agreement, however, permission is granted to Mortgagor to collect and retain under the provisions of this Agreement such rents, income, operating surplus and charges, but upon default this permission is terminated, as to all rents, income, operating surplus and charges due or collected thereafter.
5. (a) Mortgagor will establish and maintain a reserve fund for replacements in a separate account in a bank which is insured by the Federal Deposit Insurance Corporation, Savings Association Insurance Fund, or the National Credit Union Share Insurance Fund. Concurrently with the effective commencement of rental assistance payments under the Project Rental Assistance Contract, the Mortgagor will deposit an amount equal to \$ \* per month unless a different date or amount is approved in writing by HUD. \* \$1,008.33  
Such fund, whether in the form of a cash deposit or invested in obligations of, or fully guaranteed as to principal by, the United States of America shall at all times be subject to the control of HUD. Disbursements from such fund, whether for the purpose of effecting replacement of structural elements and mechanical equipment of the project for any other purpose, may be made only after the consent in writing of HUD. In the event of a default in the terms of the mortgage, HUD may demand the full or partial application of the balance in such fund to be amount due on the mortgage debt.
- (b) Mortgagor will deposit the minimum capital investment with an escrow agent acceptable to HUD pursuant to Regulations.
- (c) Within 60 days after the end of each fiscal year, any residual receipts realized from the operation of the mortgaged property shall be deposited in a separate



Exhibit "C"



Shelby County  
Tennessee

Jim Rout, Mayor

21, 2002

Reverend C. E. Ware  
President  
Reach, Inc.  
Alcy Road  
Memphis, TN 38114

Reverend Ware:

I wholeheartedly support your application to the United States Department of Housing and Urban Development for senior housing. There is a great need in this community for affordable housing for our older citizens. There usually are long waiting lists for such housing.

I am pleased to endorse your efforts to bring needed housing to this area.

Sincerely,

Jim Rout  
Mayor



# Shelby County Tennessee

Jim Rout, Mayor

Dear Fellow Citizens of Shelby County:

The Senior Citizen's handbook is provided to you by your Shelby County Government. It contains facts and information on services available to the citizens of our community through County Government as well as other non-profit and social service organizations. Many of these organizations receive funding from County Government to make their services available to you. County Government has given further support to you through the County Mayor's Office on Aging since 1979.

As you look through this booklet, you will notice that there are dozens of private agencies that also care about your well-being. We have tried to list those which deal with most of your needs and interests. Take time to study the table of contents. There are agencies to help you with benefits, tax information, temporary assistance, housing, clothing, medical services, volunteer jobs, employment, counseling services, drug and alcohol treatment, education, recreation and consumer protection.

I pledge continued support to the Senior Citizens of Shelby County and hope this booklet will be a valuable resource for you for many years.

Best Wishes,

Jim Rout

Shelby County Mayor

Exhibit "c"

### EXHIBIT 3(c)

A description of local government support (including financial assistance, donation of land, provision of services, etc.)

Beth-Reach, Inc. receives financial assistance from the State of Tennessee through the Department of Human Services for the operation of the child day care. This amount is approximately \$235,000 annually.

Volunteers are used in the delivery of day care services and the tutorial program in the after-school program. The tutorial program alone is manned by 11 retired volunteers who contribute four hours a day. This equals 260 hours of professional support per week or 9,360 hours a year. At the average teacher pay rate of \$17 per hour, the volunteer tutorial program is valued at approximately \$168,00 per year.

Public transportation is available to the proposed housing site.

Beth-Reach, Inc. and Bethel A.M.E. Church work closely together to optimize resources and program delivery. A cadre of volunteers will be available to assist the elderly residents of the proposed housing facility.

See the attached letters of support from the City of Memphis and Shelby County.



Exhibit C

# City of Memphis



BARBARA SWEARENGEN HOLT  
VICE CHAIRMAN

CITY COUNCILWOMAN - DISTRICT 7

TENNESSEE

May 14, 2001

Reverend C.E. Ware, President  
Beth Reach, Inc.  
2011 Alcy Road  
Memphis, TN 38114

Dear Reverend Ware:

I want to commend you for your commitment to providing affordable and quality housing for seniors in the Memphis community. I am pleased to provide my support of your housing initiative and am ready to assist in any way necessary as you pursue HUD approval of your project.

This community is indeed fortunate to have concerned individuals like you, leading the way to ensure that our older population is not forgotten and that they have a safe and decent place to enjoy their golden years.

Thank you for the work you are doing on behalf of seniors in Memphis.

Sincerely,

*Barbara Swearingen Holt*  
Barbara Swearingen Holt

/jk



TENNESSEE

DR. WILLIE W. HERENTON - Mayor  
RICK MASSON - Chief Administrative Officer  
DIVISION OF FINANCE  
JOSEPH LEE, III - Director

29, 2002

Reverend C. E. Ware, Pastor  
Daniel A. M. E. Church  
1 Alcy Road  
Memphis, TN 38114

Fax: 745-5745

Dear Reverend Ware:

I am proud to endorse your HUD application to construct a new housing facility with the City of Memphis on Alcy Road. The construction of your proposed housing development, for the elderly, will indeed be an asset to the Memphis community.

I wish you the best wishes and continued success with your development efforts. I may be reached at (901) 576-6301, for further comments.

Sincerely,

Joseph Lee, III  
Director of Finance

/cyf



# City of Memphis

TENNESSEE

## MEMPHIS CITY COUNCIL

RICKEY W. PEETE  
CHAIRMANJoe W. Brown  
Edmund Ford  
Barbara Swearingen Holt  
Janet Hooks  
E.C. Jones  
Myron LoweryTom Marshall  
TaJuan Stout Mitchell  
Jack Sammons  
Brent Taylor  
Pat Vander Schaaf  
John C. Vergos

May 28, 2002

Reverend C.E. Ware, President  
Reach, Inc.  
1111 Alcy Road  
Memphis, Tennessee 38114

Dear Reverend Ware:

I am very happy to endorse your proposal to HUD for the development of elderly housing within the City of Memphis. I welcome this housing initiative to District 8-2.

Unfortunately, there is little affordable housing in Memphis for many of our citizens. In addition to the lack of housing, many affordable units are substandard. Providing decent, affordable housing to low and moderate-income families and our elderly citizens is an issue that is of particular importance to me.

Your proposal shows a commitment to providing adequate and affordable housing opportunities for seniors in our community. Again, I am supportive of this initiative's efforts to ensure that the housing needs of the South Memphis community will be addressed.

Sincerely,

Rickey W. Peete  
Chairman